the country are functioning without licence from the Reserve Bank of India (RBI);

(b) if so, the details thereof, State-wise; and

(c) what action Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The information is being collected, and to the extent available, will be placed on the Table of the House.

**Appreciation of Rupee**

275. SHRI K. RAMA MOHANA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the exporting community is putting pressure on the RBI to arrest the appreciation of Rupee as it is creating problems for exporters;

(b) whether it is also a fact that due to appreciation of Rupee, according to the NCAER, the overall export performance decelerated from 20.8 per cent in April—December 2002 to 14.4 per cent in the corresponding period of 2003; and

(c) if so, what steps the RBI is taking in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) During 2003-04, the Rupee appreciated by 5.3 per cent agaisnt the US Dollar on an annual average basis. At the same time, it depreciated against the currencies of major non-dollar trading partners of India. In its Quarterly Review of the Economy published in April 2004, the NCAER observed that in US Dollar terms exports showed a lower growth of 14.4 per cent in April—December, 2003 compared to 0.8 per cent in April—December 2002. It also pointed to the appreciation of the Rupee against the US Dollar as a factor causing a dent in India's exports. The scenario has since changed. According to the latest figures, export growth for 2003-04 at 17.3 per cent was not significantly lower than 20.3 per cent achieved in 2002-03. It is therefore evident that the movements in the Rupee value were smooth and orderly, avoiding undue adjustment costs. The management of the Indian Rupee continues to be broadly market-based with the Reserve Bank of India (RBI) intervening only in the event of smoothening excessive volatilities in the foreign exchange market.